



Wisconsin Insurance News

Issue 3 - Summer 2008

OCI Monitors Senior Insurance Products



By Sean Dilweg,
Commissioner of
Insurance

According to the
Department of
Administration
report *Wisconsin
Population
2030*,
Wisconsin's
senior population
will be twice the

size it is now and will surpass one fifth of the state's population, rising to 1.6 million by that time. Additionally, the number of seniors over age 85 will grow 66 percent and over age 100 will grow by almost 400 percent. It is this trend of population growth in the senior citizen insurance market that fortifies the need to examine and understand the insurance issues that face our senior population.

Insurance purchasing decisions should be components of, and work in concert with, an overall financial plan. Not all insurance products are good matches for every consumer, just as not all financial products are desirable purchases. I consider OCI's consumer obligations to be on par with the agency's regulatory mission, which is why I appreciate the opportunity to work with agents, legislators and consumers to help protect and inform Wisconsin's seniors. The following topic areas are issues we are watching closely at OCI.

Long-Term Care Insurance

Long-term care insurance is different from traditional health insurance in that it provides coverage for services relating to a chronic condition over a long period of time, where traditional health insurance provides coverage for an illness or condition that is acute or short-term in duration.

Long-term care insurance is only one way to fund long-term care services and is therefore not for everyone. In determining whether a long-term care policy is suitable, the buyer should consider his or her age, financial status, health, marital status and overall retirement objectives. People with low income or few assets should consider carefully whether a long-term care policy is the right decision according to their financial circumstances.

Wisconsin recently approved implementing a Long-Term Care Insurance Partnership Program. The Partnership Program allows a person with a qualified long-term care insurance policy to retain a portion of his or her assets for the purpose of Medicaid eligibility while at the same time protecting those assets from estate recovery. Information on agent training for long-term care insurance is also included in this issue.

Annuities

Annuities are contracts wherein the insurance company promises to make a series of payments in return for premiums paid. The number and complexity of annuity products available today is growing, and with the aging of baby-boomers, annuity insurers are developing products for this segment of the population.

Recent national attention has focused on the problems surrounding the sales of annuity products, including unsuitable sales resulting from selling products that do not meet the need or are adverse to consumers' financial situation. This can result from the complexity of the products and the lack of understanding of the products by both the agent and the consumer, as well as financial incentives for agents to sell the products.

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WISCONSIN



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OCI is proactively working with the industry, agents and consumers to develop standards to address unsuitable sales of annuities both here in Wisconsin and nationally. The National Association of Insurance Commissioners (NAIC) has created a Suitability of Annuity Sales Working Group, which I chair. The Working Group's charge is to proactively work to minimize unsuitable annuity sales. The Working Group is modeled after Wisconsin's Annuity Sales Suitability Advisory Committee formed last year. The Wisconsin Committee is in the process of finalizing standards to recommend be included in the NAIC's model regulation.

Senior Designations

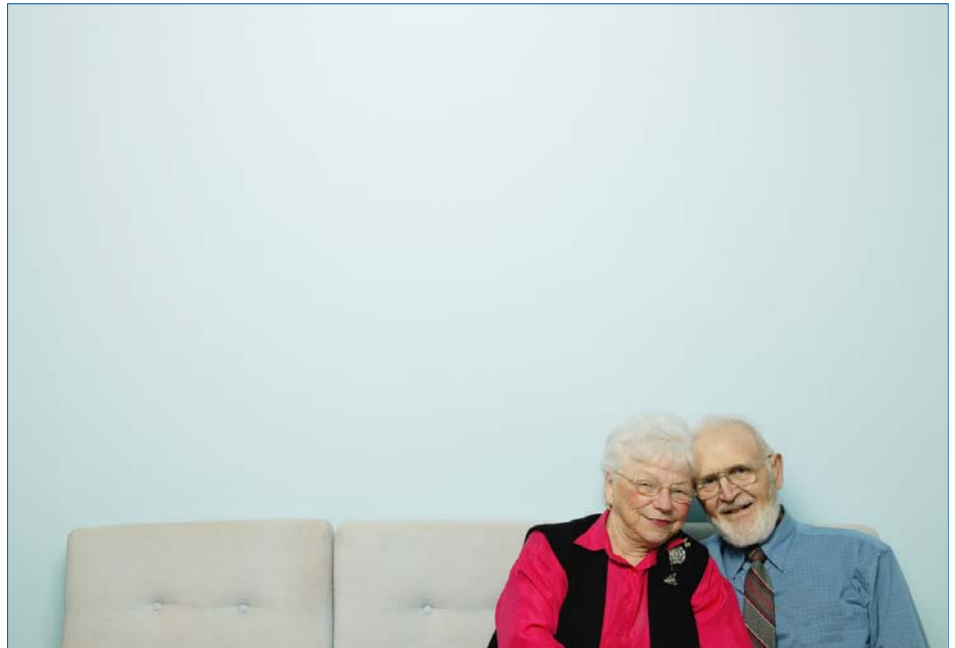
The use of senior or retirement specific designations and titles by insurance producers in the marketing and sales of individual life insurance and annuities directed to seniors has increased nationwide. The use of titles, with words such as "certified," "accredited," "retirement planner," "senior advisor" or "senior consultant," implies special

training or education for selling specialized products to seniors. However, this may not be true. The use of certain designations may mislead seniors who are considering purchasing life insurance or an annuity from an agent or company into thinking that special courses or exams were passed and signify expertise in seniors' financial matters when, in fact, no such

expertise exists. Some designations may have little or no educational requirements.

As Vice Chair of the NAIC Life and Annuities (A) Committee, I have aggressively pursued the adoption of a model regulation to provide guidance to

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Agent Licensing Updates and Notices

Biennial Regulation Fees - New Look Renewal Notices

Renewal notices are mailed 60 days prior to fees being due. *Please note that all notices are now in a postcard format.* If you are required to complete continuing education, all credits must be banked in order for you to complete the electronic renewal process. Those individuals who have a license expiring at the end of August should expect their renewal notice in early July; those expiring in September will receive their notice in early August, and so on.

As identified, renewal fees must be paid by credit card, debit card, or electronic check. Those licensees without Internet access can contact our office for assistance in entering their payment.

Suspension Period Eliminated By Statute

Beginning with persons who have a June 30, 2008, expiration date, there will no longer be a 60-day suspension period for licensees failing to comply with continuing education or failing to pay the biennial regulation fees. If persons are not in compliance by their expiration date, the license will be revoked.

Residents can reapply within one year of the revocation date without completing prelicensing education or an examination as long as they complete all outstanding continuing education requirements, and by submitting the appropriate application and applicable fees. The application (OCI 11-041R) is

available at our Web site, specifically at oci.wi.gov/ociforms.htm#agent.

Nonresidents simply reapply online at www.sircon.com/wisconsin.

Resident Address Changes

Wisconsin law requires that you provide our office with your current resident address. Please make sure your current license copy contains your most up-to-date address information. Business addresses are not acceptable. If you have a residence address change, you have the following options available to you to make that change:

- Log on to www.sircon.com/wisconsin and select "Update your Name or

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Address.” This option also allows you to add or maintain your e-mail address, or

- Log on to www.nipr.com and select “Address Change Request,” or
- Notify the Agent Licensing Section in writing at P.O. Box 7872, Madison, Wisconsin 53707-7872, by fax at (608) 267-9451, or by e-mail at ociagentlicensing@wisconsin.gov. Please include your name, license number, and new address. Telephone requests for change of address are not accepted.

Following receipt of the address change, an updated license copy is automatically mailed to the licensee.

CONTINUING EDUCATION

Basic Requirements

All agents who hold a license in any of the major lines of property, casualty, personal lines P&C, life, accident and health insurance, or the limited line of automobile, must complete a total of 24 credits each biennium, 3 of which must

be in the ethics of insurance. Your compliance/expiration date is printed on your license.

The ethics requirement became effective January 1, 2008. All resident licensees up for renewal after that date must have completed 3 hours of approved ethics courses to remain compliant.

Course credits may be completed at any time during the two-year period.

Carryover of credits from one reporting period to another is NOT allowed. Please refer to your on-line transcript to confirm your assigned compliance period.

A list of approved providers and courses is available at Sircon’s Web site through a link at OCI’s Web site by logging on to oci.wi.gov, or you can log on directly to www.sircon.com/wisconsin. You can also use a query tool available at their site to determine course availability and location.

Transcripts are mailed to licensees who have yet to achieve compliance 90 days prior to their expiration date. It is imperative that you do not wait until the last few weeks of your reporting period

to complete your continuing education for the biennium. By rule, your continuing education providers have 10 days to electronically bank your credits, and paper confirmation is not acceptable.

Internet Transcripts Available from Sircon

To request a free copy of your most current Licensee Continuing Education Transcript log on to www.sircon.com/wisconsin. The transcript will permit you to take any action that is necessary to add, delete, or change information that is inaccurate. To correct credit discrepancies, agents are required to contact their continuing education provider(s) directly. These discrepancies can only be resolved between the agent, the provider and Pearson VUE.

Who to Call

Contact Pearson VUE for answers to general questions, to gain information on course availability, and to confirm if credits have been banked in an agent’s individual record. They may be reached at (800) 274-4679. ***Reminder: Dial the (800) prefix whenever using this number. •***



Wisconsin Insurance Plan Seminars

The Office of the Commissioner of Insurance (OCI), in conjunction with the Wisconsin Insurance Plan (WIP), is currently in the process of scheduling a series of seminars to be held in different areas of the state that will focus on educating producers regarding issues relating to the WIP. During each seminar, WIP personnel will address how WIP operates, the programs and coverages offered, how to apply to WIP, and how producers can quote premiums and print applications. Producers will receive a flyer in the mail at their home address that will detail when and where this seminar will be held in their area of the state. Flyers will be mailed out closer to the

date when the seminar will be held in a particular area of the state.

The first seminar will be held on August 7, 2008, in the Radisson Hotel on Milwaukee’s northwest side. Due to the large number of producers and the room capacity restraints, not all producers within the Milwaukee area were sent flyers for this session. Recently, detailed flyers were sent to producers whose last names began with A through L and whose home addresses on file with OCI were within the 532** zip codes.

Producers interested in attending were asked to contact the WIP to register. More information about future seminars will come out soon.

BadgerCare Plus Plan Meets HCTC Requirements

On May 16, 2008, Commissioner Dilweg informed the U.S. Department of the Treasury that the BadgerCare Plus Benchmark Plan had met the necessary conditions to be a qualified health plan option for the Health Coverage Tax Credit (HCTC) program. OCI received acknowledgment from the Treasury Department affirming the status of BadgerCare Plus on June 16, 2008.

Introduced by Governor Jim Doyle in his 2007 budget proposal, BadgerCare Plus built upon the success of the BadgerCare program, the state's Medicaid program for children. The Benchmark Plan was adapted from Wisconsin's largest commercial, low-cost health care plan. The Benchmark Plan is for children and pregnant women with incomes above 200 percent of the Federal Poverty Level (FPL) and certain self-employed parents, such as farmers with incomes above 200 percent of the FPL.

The Benchmark Plan will cover prescription drugs, physician services, immunizations, laboratory services, HealthCheck screenings, mental health and substance abuse services, and preventive and basic dental services.

The HCTC program provides 65 percent of the cost of health insurance premiums for qualified health insurance for eligible individuals and their family members. Eligible individuals include workers displaced due to foreign competition who are eligible to receive

Trade Readjustment Allowances under the Trade Adjustment Assistance Act or benefits under the Alternative Trade Adjustment Assistance program. Also, those receiving pensions from the Pension Benefit Guaranty Corporation are eligible to participate in the HCTC program. The Wisconsin Department of Workforce Development (DWD) identifies displaced workers who are potentially eligible for the credit.

Eligible individuals should receive notice and an enrollment kit from the HCTC program through DWD. That enrollment kit will include more information about the federal tax credit and instructions as to how to pay for a participant's share of the coverage.

Two groups are eligible to participate in the HCTC Program:

Trade Impacted Workers. Trade Impacted Workers are individuals certified to receive certain Trade Adjustment Assistance (TAA) and Alternative TAA benefits because they have lost their jobs due to the effects of international trade. The Wisconsin Department of Workforce Development (DWD) identifies displaced workers who are potentially eligible for the credit.

Pension Benefit Guaranty Corporation (PBGC) Recipients. PBGC Recipients are individuals receiving PBGC pension benefit payments who are 55 years of age or older. This includes individuals receiving benefits from the PBGC as a

survivor or beneficiary of a PBGC recipient. Those receiving a portion of an ex-spouse's benefit from the PBGC can also qualify for the HCTC. For questions about pension benefits through PBGC, call 1-800-400-7242.

Eligible persons can also apply for the HCTC and apply the federal premium assistance to the following automatically eligible types of coverage:

- Continuation coverage under the Combined Omnibus Budget Reconciliation Act (COBRA) or Wisconsin continuation coverage statutes
- Employer plans or spousal employer plans where the employer pays for less than 50% of the premium.
- Any individual health insurance policy that you purchased directly as long as that coverage was in effect 30 days prior to your separation from your employment.

There are two ways to claim the credit. An individual can pay for health insurance premiums directly to their health plan and claim their 65 percent tax credit when they file their federal income tax returns. Alternatively, an eligible individual can register with the HCTC program to access the tax credit in advance. This option allows a person to pay 35 percent of the health insurance premiums while the HCTC program pays the remaining premium. For more information on BadgerCare •

Updated Publications

OCI has recently updated several publications. Choose "Publications" from the Quick Links located at the top left side of our home page, oci.wi.gov, then "Consumer Publications" to view, print or request a copy.

- A Guide to Health Insurance and Worker's Compensation Insurance for Farm Families
- ANSI Codes
- Consumer's Guide to Commercial Liability Insurance
- Consumer's Guide to Managed Care Health Plans in Wisconsin
- Guía del Consumidor para Seguros de Automóvil
- Guía del Consumidor para Seguros de Vivienda
- Insurance Complaints and Administrative Actions
- Other Sources of Help
- Quejas de seguros y acciones administrativas
- Settling Property Insurance Claims
- Understanding Annuities

New Training Requirements for Agents Selling Long-Term Care Insurance

Beginning January 1, 2009, all insurance agents must have completed initial training and biennial on-going training regarding long-term care (LTC) in order to sell, solicit or negotiate LTC insurance in Wisconsin. The initial training and on-going training requirements apply to agents who market group, individual, health and life LTC policies and LTC riders included with life, annuity or health policies. LTC policies and riders include those policies and riders covering nursing home, assisted living, home care and convalescent care.

Wisconsin LTC rules were recently amended to comply with the requirements of the federal Deficit Reduction Act of 2005 (DRA) and the National Association of Insurance Commissioners (NAIC) LTC Model Act and Regulation, which require that insurance agents complete initial training and on-going training and which allows insurers to market LTC Partnership Program policies in Wisconsin.

Agents are required to complete initial training of not less than 8 hours, 2 hours of which must include information on Wisconsin specific Medicaid and LTC information. Agents are also required to complete biennially on-going training of 4 hours specific to LTC insurance, including updates regarding Wisconsin's LTC partnership program.

Training that is insurer product specific or that includes any sales or marketing information, materials, or training, other than that required by state or federal law, does not qualify as initial training or on-going training.

In order to qualify as initial training or as on-going training under Wisconsin LTC rules, the training must consist of topics related to LTC insurance, LTC services and the Wisconsin LTC partnership program, and include:

- State and federal regulations and requirements and the relationship between qualified state LTC partnership plan policies and other public and private coverage of LTC services, including Medicaid programs in Wisconsin
- Available LTC services and providers
- Changes or innovations in LTC services or providers
- Alternatives to the purchase of private LTC insurance
- The effect of inflation on benefits and the importance of inflation protection
- Insurance suitability standards and guidelines.

Agents who have satisfied another state's training requirements will be deemed to satisfy Wisconsin's training requirements subject to verification and compliance with Wisconsin's training requirements. **However**, all agents must complete the initial 2 hours of Wisconsin-specific Medicaid and LTC information training to market LTC insurance in Wisconsin.



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Administrative Actions Taken by OCI

In many of the proceedings listed below, the Respondent denied the allegations but consented to the actions. Detailed information regarding the proceedings is available from the OCI Legal Unit. Copies of administrative actions started in the year 1964 can be viewed and printed from OCI's Web site at oci.wi.gov/admact/admact.htm. The following are actions for January 2008 through March 2008.

Actions Against Agents

Christopher M. Anderson

1812 W. First St., Merrill, WI 54452

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. February 2008

Stephen Ray Arnold

6813 Graham Dr., Rowlett, TX 75089

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and a criminal conviction which may be substantially related to insurance marketing type conduct. March 2008

Timothy T. Beasley

113 Silver Rd., Madison, WI 53714

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. January 2008

David B. Bellrichard

6845 S. 68th St. #207, Franklin, WI 53132

Was ordered to make restitution in the amount of \$10,000.00 not later than April 30, 2008, and until June 30, 2009, the date of the surrender of his insurance intermediary licenses, be subject to supervisory review for any recommendation for sale or exchange of an annuity to a senior consumer to assure strict compliance with the suitability requirements of s. 628.347 (2), Wis. Stat., and to certify the same to OCI. This action was based on allegations of violating ss. Ins 2.07 and 2.16 (6), Wis. Adm. Code, and s. 628.10 (2) (b), Wis. Stat., in the marketing and sale of annuity products. March 2008

Ronald Lee Bertke

18324 Clark St. #313, Tarzana, CA 91356

Has had his license denied for 31 days. This action was based on allegations of

failing to disclose administrative action taken by the state of Florida on an insurance license application. March 2008

Lawrence D. Bollom

5211 270th St., Cadott, WI 54727

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. February 2008

Mark D. Brown

3429 Midway St., Eau Claire, WI 54703

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and administrative action taken by the state of Wisconsin, Department of Regulation and Licensing, Real Estate Examining Board. January 2008

Lucas Jason Brunmeier

2425 N. 61st St., Milwaukee, WI 53213

Paid a forfeiture of \$5,000.00, was ordered to make restitution of \$2,276.67 to the consumer, and has had his insurance license revoked. This action was based on allegations of making unsuitable replacement and sales recommendations and misrepresenting insurance transactions to Wisconsin consumers. March 2008

Breyen T. Canfield

930 Partridge St. #108,

Duluth, MN 55811

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI. January 2008

Crystal J. Chapman

2511 Caddy Ln., Joliet, IL 60435

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to disclose administrative

actions taken by the states of Colorado and Illinois on an insurance license application. January 2008

David D. Coenen

4524 N. Marshall Heights Ave.,

Appleton, WI 54913

Paid a forfeiture of \$25,000.00 and was ordered to five years supervision regarding annuity sales, to submit yearly reports to OCI, and to facilitate restitution to consumers. This action was based on allegations of making unsuitable sales of insurance products to consumers and making false and misleading statements regarding insurance contracts. January 2008

Lisa A. Coleman

3020 17th Ave. Ct. W. #A,

Gig Harbor, WA 98335

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to disclose administrative action taken by the state of Washington on an insurance license application. January 2008

Merle Lee Dillman

7047 S. Harmony Rd.,

Bloomington, IN 47403

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI, a criminal conviction which may be substantially related to insurance marketing type conduct, administrative action taken by another state, and company termination with allegations of misconduct. March 2008

Tom B. Drehfal

1234 W. Baldwin Ct., Mequon, WI 53092

Surrendered his insurance agent's license. This action was based on allegations of repeated misrepresentations in the course of the sale of health insurance. February 2008

Janice L. Duben

602 Spruce, Atlantic, IA 50022

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and a criminal conviction which may be substantially related to insurance marketing type conduct. March 2008

Kurt Allen Dunlop

330 W. Evelyn, Hazel Park, MI 48030

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and administrative action taken by another state. March 2008

Brian Donald Eck

10706 Minnetonka Blvd.,

Hopkins, MN 55305

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding involvement in the enrollment of groups after his Wisconsin license was cancelled. March 2008

Corey J. Erickson

1721 Woodland Ave., Duluth, MN 55803

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and a criminal conviction substantially related to insurance marketing type conduct. January 2008

Lynne M. Erickson

48 Riverview Ct., Oswego, IL 60543

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and administrative action taken by another state. March 2008

James Carl Faustmann

2447 N. 69th St., Wauwatosa, WI 53213

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to provide evidence of precensuring education. January 2008

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No computer? No problem. You can call 800-236-8517 or send an email to ocipublications@wisconsin.gov and we'll help you out.

Lori Lynn Feia

640 Seventh St. N., Hudson, WI 54016

Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. February 2008

Lisa R. Folta

11801 Alamo St. NE, Blaine, MN 55449

Has had her license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Minnesota on an insurance license application and failing to disclose previous criminal convictions on an insurance license application. March 2008

Patrick Alan Fortune

1610 US Hwy. 6E, Geneseo, IL 61254

Has had his application for an insurance license denied. This action was based on allegations of failing to disclose two administrative actions taken by the state of Illinois on an insurance license application and the basis of the Illinois administrative actions, falsely answering an application question regarding termination for cause, and not disclosing the termination for cause by Consecro. February 2008

Peter Gahagan

W4658 Cty. J, Plymouth, WI 53073

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. March 2008

William T. Gaskins

10032 Oak Brook Dr. #C,

Charlotte, NC 28210

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous administrative actions taken by the state of Wisconsin on an insurance license application. January 2008

Glen R. Giroux

713 Finch Ct., Chesterfield, MO 63017

Has had his license denied for 31 days. This action was based on allegations of failing to disclose two previous administrative actions taken by the state of Wisconsin on an insurance license application. January 2008

Shontina Montrice Gladney

N61 W14357 Brookside Dr.,

Menomonee Falls, WI 53051

Has had her license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. March 2008

Harvey J. Goldstein

230 W. Suburban Ct.,

Fox Point, WI 53217

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous administrative action taken by the state of Wisconsin on an insurance license application. March 2008

Amy Melissa Hamilton

801 Bradbury Cir., Jordan, MN 55352

Has had her application for an insurance license denied. This action

was based on allegations of failing to respond promptly to inquiries from OCI and a criminal conviction which may be substantially related to insurance marketing type conduct. March 2008

Jared Owen Hefti

203 16th St. S. #202,
La Crosse, WI 54601

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. March 2008

Jason C. Hutter

204 Bogert St., P.O. Box 844,
Beaver Dam, WI 53916

Has had his application for an insurance license denied. This action was based on allegations of criminal convictions which may be substantially related to insurance marketing type conduct. March 2008

Trent A. Johnson

6886 Thomas Pky., Rockford, IL 61114

Has had his license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Wisconsin on an insurance license application. March 2008

Melissa Marie Kapla

422 Harvest Hill Dr., Denmark, WI 54208

Has had her application for an insurance license denied. This action was based on allegations of failing to disclose administrative actions taken by the Oneida Tribe of Indians of Wisconsin, Oneida Gaming Commission, on two out of three applications. January 2008

Lyla J. Larson

971 Moonlight Dr.,
Woodbury, MN 55125

Has had her license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Minnesota on an insurance license application. January 2008

Ron C. Lestevé

1810 W. Wisconsin Ave. #307A,
Milwaukee, WI 53233

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI. March 2008

Mark Allen Ligman

1913 Second Lake Dr.,
Junction City, WI 54443

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. March 2008

Michael M. Lockwood

7717 Westwood Dr.,
Elmwood Park, IL 60707

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and administrative action taken by another state. March 2008

Mary Ruth McChesney

N8611 Comorn Rd., Ripon, WI 54971

Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. February 2008

Debra K. Molle-Grunsted

6212 Deer Ln., Panora, IA 50216

Has had her application for an insurance license denied. This action was based on allegations of failing to disclose previous administrative action taken by the state of Wisconsin on an insurance license application and failing to respond promptly to inquiries from OCI. January 2008

Andrew E. Morse

518 Seventh St. SE,
Minneapolis, MN 55414

Has had his license denied for 31 days. This action was based on allegations of failing to disclose administrative actions taken by the states of Minnesota and Wisconsin on an insurance license application. January 2008

William J. Morton

1404 Jackson St., Rockford, IL 61107

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to disclose two administrative actions taken by the state of Illinois on an insurance license application. January 2008

Robert Mugnaini

1510 N. Rock Run Dr. #2C,
Crest Hill, IL 60435

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. January 2008

Richard T. Pepe

1801 Milwaukee Ave.,
South Milwaukee, WI 53172

Paid a forfeiture of \$1,000.00 and has had his license suspended for 60 days. This action was based on allegations of entering an unauthorized signature on a document without proper authority. February 2008

Michael G. Peterson

827 N. 19th St., Manitowoc, WI 54220

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. February 2008

Steven Arthur Pfeffer

4545 Baxter Rd.,
Cottage Grove, WI 53527

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous criminal convictions on an insurance license application. March 2008

Jeff E. Pope

3073 Secretariat Ct., Aurora, IL 60502

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to disclose administrative action taken by the state of Illinois on an insurance license application. March 2008

Donna M. Roberson

2028 N. Palmer St. #1,
Milwaukee, WI 53212

Has had her insurance license revoked.
This action was based on allegations of
failing to pay Wisconsin delinquent
taxes due. February 2008

Alan Timothy Schroeder

2064 Allouez Ave., Green Bay, WI 54311

Paid a forfeiture of \$250.00 and was
ordered to respond promptly to all
inquiries from OCI in the future and has
had his license denied for 30 days. This
action was based on allegations of
failing to respond promptly to inquiries
from OCI regarding his application for
an insurance license. February 2008

Cindy Lee Schuhmacher

6109 Lake Church Rd.,
Belgium, WI 53004

Has had her application for an
insurance license denied. This action
was based on allegations of failing to
respond promptly to inquiries from OCI
and a criminal conviction which may be
substantially related to insurance
marketing type conduct. March 2008

David Arnold Schultz

1447 Shoreland Ln.,
Hubertus, WI 53033

Has had his insurance license revoked.
This action was based on allegations of

failing to pay Wisconsin delinquent
taxes due. February 2008

Pamela Schwab

3390 Cozy Camp Rd.,
Moraine, OH 45439

Has had her application for an
insurance license denied. This action
was based on allegations of failing to
respond promptly to inquiries from OCI
and a criminal conviction substantially
related to insurance marketing type
conduct. January 2008

Amy Lou Sikora

200 E. Park St., New Auburn, WI 54757

Has had her application for an
insurance license denied. This action
was based on allegations of failing to
respond promptly to inquiries from OCI,
a criminal conviction which may be
substantially related to insurance
marketing type conduct, and
bankruptcy or judgment. March 2008

Michael Thomas Teigen

N5608 Albany N., Mondovi, WI 54755

Has had his license denied for 31 days.
This action was based on allegations of
failing to disclose previous criminal
convictions on an insurance license
application. March 2008

William H. Tarrolly

7108 Sauk Cir., Mequon, WI 53092

Has had his insurance license revoked.
This action was based on allegations of
failing to pay Wisconsin delinquent
taxes due. February 2008

James S. Turner

2299 Sunshine Ln., Beloit, WI 53511

Has had his application for an
insurance license denied. This action
was based on allegations of failing to
respond promptly to inquiries from OCI
and a criminal conviction substantially
related to insurance marketing type
conduct. January 2008

Vong Vang

711 S. Oakland Ave.
Green Bay, WI 54303

Has had his application for an
insurance license denied. This action
was based on allegations of a criminal
conviction substantially related to
insurance marketing type conduct and
a number of convictions. January 2008

Eric Jonathan Wales

6704 Schroeder Rd. #4

Madison, WI 53711

Has had his application for an
insurance license denied. This action
was based on allegations of failing to
respond promptly to inquiries from OCI
and failing to pay Wisconsin
delinquent taxes due. January 2008

Jason R. Waters

514 E. South St., Lisbon, IA 52253

Has had his license denied for 31 days.
This action was based on allegations of
failing to disclose previous
administrative action taken by the state
of Wisconsin on an insurance license
application. January 2008

Keith B. Wenberg

628 Second Ave. S.,
Onalaska, WI 54650

Paid a forfeiture of \$250.00 and was
ordered to cease and desist from
violations of ss. Ins 6.57 and 6.66, Wis.
Adm. Code. This action was based on
allegations of completing an
application for insurance without being
appointed as a listed agent and
forwarding an application to another
agent for signing, without also signing.
March 2008

Attention WIN Readers:

Have a great story idea? Dying to see your story in print?

We can help.

In an attempt to better serve our readers, we would like to give you an opportunity to voice your opinion. If there are any articles you would be interested in seeing published in our quarterly newsletter, please let us know. We will work to accommodate various reader requests in upcoming issues.

Contact the editor at mikaela.reck@wisconsin.gov with story tips and ideas. Use "WIN Tips" as the subject line.

Note: Due to limited staff resources we cannot publish every request we receive. We also cannot print any articles supporting or endorsing specific companies.

Douglas A. Wheeler

323 S. Dearborn, Bradley, IL 60915

Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous Wisconsin administrative actions on an insurance license application. February 2008

Andrew Richard Zalewski

3011 Patty Ln., Middleton, WI 53562

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and a criminal conviction substantially related to insurance marketing type conduct. January 2008

Actions Against Companies**American Heritage Life Insurance Company**

1776 American Heritage Life Dr.,
Jacksonville, FL 32224

Paid a forfeiture of \$500.00, was ordered to provide the information requested within ten days of receipt of the order, and to promptly reply to all future inquiries from the Commissioner requesting a reply. This action was based on allegations of failing to respond promptly to inquiries from OCI. March 2008

Badger Mutual Insurance Company

1635 W. National Ave.,
Milwaukee, WI 53204

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from issuing improper nonrenewals to policyholders when an intermediary's contract is terminated. This action was based on allegations of issuing two improper nonrenewal notices for insurance policies. January 2008

Blue Cross Blue Shield of Wisconsin

6775 W. Washington St.,
West Allis, WI 53214

Paid a forfeiture of \$1,500.00 and was ordered to provide the requested information within ten days of receipt of order, to reply promptly in writing, and to provide all information requested in response to all inquiries from the Commissioner requesting a reply. This action was based on allegations of

failing to respond promptly to inquiries from OCI. March 2008

Blue Cross Blue Shield of Wisconsin

401 W. Michigan St.,
Milwaukee, WI 53203

Paid a forfeiture of \$1,000.00. This action was based on allegations of a compliance order issued for an examination report. March 2008

Blue Cross Blue Shield of Wisconsin

6775 W. Washington St.,
West Allis, WI 53214

Paid a forfeiture of \$1,000.00 and was ordered to provide the requested information within ten days of receipt of order, to reply promptly in writing, and to provide all information requested in response to all inquiries from the Commissioner requesting a reply. This action was based on allegations of failing to respond promptly to inquiries from OCI. March 2008

Capitol Indemnity Corporation

1600 Aspen Commons,
Middleton, WI 53562

Paid a forfeiture of \$2,500.00 and was ordered to cease and desist from issuing improper nonrenewal notices. This action was based on allegations of issuing improper nonrenewal notices for six insurance policies. January 2008

Compcore Health Services Insurance Corporation

6775 W. Washington St.,
West Allis, WI 53214

Paid a forfeiture of \$1,000.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

Conseco Senior Health Insurance Company

11815 N. Pennsylvania St.,
Carmel, IN 46032

Paid a forfeiture of \$100,000.00 and was ordered to comply with the terms of the stipulation agreement. This action was based on allegations of failing to timely pay and pay interest on long-term care claims, failing to comply with the terms of its policies, and making misleading statements. January 2008

First Commonwealth Limited Health Service Corporation

100 N. Corporate Dr.,
Brookfield, WI 53045

Paid a forfeiture of \$1,500.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

Franklin Farmers Mutual Insurance Company

146 W. Jefferson St.,
Spring Green, WI 53588

Paid a forfeiture of \$500.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

J. P. Turner & Company, L.L.C.

One Buckhead Plaza Ste. 11,
Atlanta, GA 30305

Has had its application for an insurance license denied. This action was based on allegations of administrative actions taken by the National Association of Security Dealers and lawsuits involving misrepresentation. January 2008

Manitowoc Mutual Insurance Company

100 Mill St., Reedsville, WI 54230

Paid a forfeiture of \$250.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

Medco Health LLC

100 Parsons Pond Dr. F3-22,
Franklin Lakes, NJ 07417

Was ordered to pay a forfeiture of \$1,000.00 and was ordered to respond promptly to all inquiries from OCI. This action was based on allegations of failing to respond promptly to inquiries from OCI. March 2008

Southeast Mutual Insurance Company

26530 Washington Ave.,
Waterford, WI 53185

Paid a forfeiture of \$250.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

Travelers Casualty and Surety Company of America

One Tower Square, Hartford, CT 06183

Paid a forfeiture of \$30,000.00 and was ordered to cease and desist from

sending nonrenewal notices less than 60 days prior to the expiration date. This action was based on allegations of issuing improper nonrenewals of insurance policies. February 2008

Verex Assurance, Inc.

6601 Six Forks Rd, Raleigh, NC 27615
Paid a forfeiture of \$1,000.00. This action was based on allegations of failing to comply with a previous examination order. March 2008

Vision Financial Corporation

17 Church St., P.O. Box 506,
Keene, NH 03431
Has had its employee benefit plan administrator's license revoked. This action was based on allegations of failing to submit renewal application, failing to respond promptly to inquiries from OCI, and failing to answer and appear for hearing. February 2008

Wells Fargo Third Party Administrators, Inc.

602 Virginia St. E. 5th Fl.,
Charleston, WV 25301
Paid a forfeiture of \$500.00. This action was based on allegations of failing to respond promptly to inquiries from OCI. January 2008

Wisconsin Compensation Rating Bureau v Ridgway LLC

10910 W. Lapham Ave.,
West Allis, WI 53214
Was ordered to uphold the rating classification by the Wisconsin Compensation Rating Bureau. This action was based on allegations of an incorrect rating classification by the Wisconsin Compensation Rating Bureau. March 2008

Zurich American Insurance Company

1400 American Ln. Tower 1 19th Fl.,
Schaumburg, IL 60196
Paid a forfeiture of \$500.00 and was ordered to provide the requested information within ten days of the receipt of this order and to reply promptly in writing in response to all inquiries from the Commissioner requesting a reply. This action was based on allegations of failing to respond promptly to inquiries from OCI. March 2008

Continued from Page 2

insurers and agents regarding the use of senior-related certifications. These guidelines are designed to provide uniform standards on acceptable senior designations and to provide consumers with confidence in the professionals they choose to manage their finances.

The Model Regulation on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities was passed by the NAIC A Committee on July 15, and will be voted on by the NAIC likely in August.

Medicare Advantage

Medicare Part C (Medicare Advantage) provides coverage for hospital stays and outpatient care, including doctors visits, to the Medicare-eligible. Coverage is provided by private insurance plans. Since January 1, 2006, OCI has received almost 700 complaints from consumers about marketing and sales involving Medicare Advantage plans.

Since these cases involve Medicare Advantage plans, the hands of state regulators are often tied as states are largely preempted from regulating Medicare Advantage plans by federal law. The marketing guidelines are established by Centers for Medicare and Medicaid Services (CMS) and thus a large regulatory gap exists in regulating these plans.

States do have regulatory oversight and authority over insurance agents and brokers who sell these products; however, without the ability to regulate the plans themselves, state regulators are very limited in their ability to prevent marketing and sales abuses. We can only act on a case-by-case basis when we receive consumer complaints that resulted from these abuses. In traditional insurance, OCI can deal with inappropriate agent action by holding the agent and the insurance company responsible for the

acts of its agents and thereby having it supervise and discipline its agents.

Senator Kohl last year introduced the Accountability and Transparency in Medicare Marketing Act of 2007; S. 1883, which called for the NAIC to develop standardized marketing requirements for Medicare Advantage organizations with respect to Medicare Advantage plans and gave the states authority to enforce the standardized marketing practices.

Additionally, CMS has a proposed rule to codify marketing guidelines including limitations on cross selling, expanded definitions of cold-calls, and provisions to assist states in their

...” OCI continues to closely monitor the sales of these products to the Medicare-eligible population”...

oversight of licensed producers. Similar guidelines are also included in H.R. 6331, the bill introduced by Rep. Dingell and Rep. Rangel to stop scheduled Medicare physician cuts.

OCI continues to closely monitor the sales of these products to the Medicare-eligible population. Our seniors are often vulnerable and unlikely to fully understand the complicated nature of these products, making them easy targets for the handful of insurance companies or agents who sell insurance products to seniors using high pressure sales tactics, misleading information and improper sales and marketing techniques. In light of the dramatic growth that will occur in the senior population over the next 15 years, the marketing of these products will become even more of a concern to our office. ●

Continued from Page 5

Wisconsin-specific Medicaid and LTC training has been developed by the state of Wisconsin Department of Health Services (DHS) and is the only training that may be used to satisfy the initial 2 hours of Wisconsin-specific training. The training materials are available at www.uwosh.edu/ccdet/DHFS/lc/default.htm under the "Instructional Resources" heading. Agents must complete the training module as part of a qualified training program or approved continuing education course.

The OCI has reviewed and approved continuing education courses regarding LTC to identify those courses that meet the requirements as qualified initial training. Agents licensed prior to January 1, 2009, who complete qualified initial training courses on or after October 27, 2007, may count these

courses towards up to 6 hours of the initial 8-hour training requirement.

Agents who complete qualified initial training courses by January 1, 2009, are required to complete the biennially required 4 hours of on-going training by their first complete license renewal date. Agents who complete the initial training after January 1, 2009, must complete the biennially required 4 hours of on-going training by the date of their next license renewal date. An agent's license renewal date is the last day of the agent's birth month every other year as identified on his or her license.

Insurers are responsible for obtaining and maintaining verification that their agents received the required initial training and on-going training. Insurers that offer qualified LTC partnership program policies are required to maintain records that their agents have

demonstrated an understanding of the Wisconsin LTC Partnership Program and the relationship of the Wisconsin Partnership Program to public and private coverage of LTC including Wisconsin Medicaid LTC programs.

A Long-Term Care Insurance – Frequently Asked Questions is available on the OCI's Web site at oci.wi.gov/agentlic/faq_ltc.htm. Agents should sign up for the OCI's list serve at oci.wi.gov/listserv.htm to receive notification electronically of updates to the OCI's Web site regarding agent training, LTC and other insurance information.

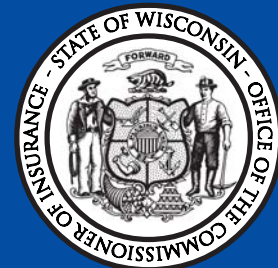
Questions regarding completion and reporting of LTC training should be addressed to insurers for whom agents sell LTC products. Questions regarding this article may be addressed to ocicomplaints@wisconsin.gov. ●



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